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Attorneys for Plaintiffs

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

----- X
HENDRIK BEYER, *et al.*,

Plaintiffs,

-against-

THE REPUBLIC OF ARGENTINA,

Defendant.
----- X

07 CV 0098 (TPG)

~~PROPOSED~~ ORDER
AND OPINION

Plaintiffs are the beneficial owners of certain bond indebtedness issued by defendant, the Republic of Argentina. The Republic defaulted on such indebtedness in December 2001 during a profound fiscal crisis. Plaintiffs are suing to recover amounts due to them as a result of the default and have moved for summary judgment.

The motion is granted.

FACTS

The bond indebtedness at issue is governed by one of three agreements: (1) a Fiscal Agency Agreement dated October 19, 1994 (the "1994 FAA"), (2) a Fiscal Agency Agreement dated December 10, 1993 (the "1993 FAA"), or (3) a Floating Rate and Bond Exchange Agreement dated December 6, 1992 (the "FRB Agreement"). The 1994 FAA is the same agreement that governed the bond indebtedness on which this court granted summary judgment to the plaintiffs in Lightwater Corporation Ltd. v. Republic of Argentina, No. 02 Civ. 3804,

2003 WL 1878420 (S.D.N.Y. Apr. 14, 2003). Section 22 of the 1994 FAA, Section 20 of the 1993 FAA, and Section 6.07 of the FRB Agreement state that the Republic waives sovereign immunity and consents to jurisdiction in any state or federal court in the borough of Manhattan in the City of New York. All three agreements provide that the Republic's obligations on the bonds are unconditional and that failure to make any payment of principal or interest for 30 days after the applicable payment date constitutes an event of default. A declaration by the Republic of a moratorium on the payment of principal or interest on its public external indebtedness is an event of default as well. Paragraph 12 of the 1994 FAA provides for acceleration of principal if there is a failure to pay interest or a moratorium. If either of these events occurs,

each holder of Securities and such Series
may by such notice in writing declare the
principal amount of Securities of such Series
held by it to be due and payable
immediately

On December 24, 2001 the Republic declared a moratorium on payments of principal and interest on the external debt of the Republic. The court refers to its previous opinions for a description of the circumstances of these defaults. Lightwater, 2003 WL 1878420, at *2; Applestein v. Republic of Argentina, No. 02 Civ. 1773, 2003 WL 1990206, at *1 (S.D.N.Y. Apr. 29, 2003). On January 4, 2007, plaintiffs sent notices to the Fiscal Agent of the Republic of Argentina, declaring the principal amounts of the debt securities governed by the 1994 FAA and 1993 FAA held by plaintiffs to be immediately due and payable.

The bonds that are the subject of this action are listed hereafter. Also listed are the amounts of the beneficial interests owned by each plaintiff.¹

¹ The court notes the distinction between bonds and beneficial interests. In some previous opinions, the court has simply referred to the plaintiffs as owners of "bonds," when in fact plaintiffs are technically owners of "beneficial interests in bonds." The Republic actually issues "a bond" to a depository. The depository, in some form, issues "participations" to brokers, who sell "beneficial interests" to purchasers. These beneficial interests are

The following tables contain the necessary identifying information regarding each plaintiff's beneficial interests in bonds.

Table 1.

<u>Plaintiff Bond Holder or Beneficial Owner:</u>	Hendrik Beyer
<u>Face Value:</u>	U.S. \$30,000
<u>CUSIP No., ISIN No., BB No.:</u>	CUSIP No. 040114ANO; ISIN No. US040114AN02
<u>Date Of Issuance:</u>	October 9, 1996
<u>Date Of Maturity:</u>	October 9, 2006
<u>Interest Rate/Payable:</u>	11 %
<u>Date Of Purchase:</u>	On or about January 10, 2000 and September 23, 2003
<u>Acceleration:</u>	Notice sent January 4, 2007
<u>Contract Documents:</u> (FAA; Indenture; Offering Prospectus; Certificates, etc.)	Fiscal Agency Agreement, dated as of October 19, 1994 (the "1994 FAA")
<u>Evidence of Ownership Proffered:</u> (Account Statements; Letters; Notarized Statements, etc.)	Account statement from Commerzbank dated as of March 30, 2007

identified by reference to the underlying bond (CUSIP or ISIN number or both; date of issuance and maturity; rate of interest) and the principal amount of the beneficial interest. This distinction is discussed more fully in Million Air Corp. v. Republic of Argentina, No. 04 Civ. 1048, 2005 WL 256126 (S.D.N.Y. Oct. 17, 2005).

Table 2.

<u>Plaintiff Bond Holder or Beneficial Owner:</u>	Antonio Juan Pauletich and Fabian E. Pauletich
<u>Face Value:</u>	U.S. \$152,000
<u>CUSIP No., ISIN No., BB No.:</u>	CUSIP No. 040114ANO; ISIN No. US040114AN02
<u>Date Of Issuance:</u>	October 9, 1996
<u>Date Of Maturity:</u>	October 9, 2006
<u>Interest Rate/Payable:</u>	11 %
<u>Date Of Purchase:</u>	On or before December 31, 2001
<u>Acceleration:</u>	Notice sent January 4, 2007
<u>Contract Documents:</u> (FAA; Indenture; Offering Prospectus; Certificates, etc.)	Fiscal Agency Agreement, dated as of October 19, 1994 (the "1994 FAA")
Evidence of Ownership Proffered: (Account Statements; Letters; Notarized Statements, etc.)	Account statement from Banco Itau dated as of March 30, 2007

Table 3.

<u>Plaintiff Bond Holder or Beneficial Owner:</u>	Franco Peruz
<u>Face Value:</u>	U.S. \$350,000
<u>CUSIP No., ISIN No., BB No.:</u>	CUSIP No. 040114GD6; ISIN No. US040114GD65
<u>Date Of Issuance:</u>	February 21, 2001
<u>Date Of Maturity:</u>	February 21, 2012
<u>Interest Rate/Payable:</u>	12.375 %
<u>Date Of Purchase:</u>	On or before June 2006
<u>Acceleration:</u>	Notice sent January 4, 2007
<u>Contract Documents:</u> (FAA; Indenture; Offering Prospectus; Certificates, etc.)	Fiscal Agency Agreement, dated as of October 19, 1994 (the "1994 FAA")
Evidence of Ownership Proffered: (Account Statements; Letters; Notarized Statements, etc.)	Account statement from Raiffeisenbank Sillian in the name of Peruz dated as of August 17, 2007 (per Supplemental Declaration)

Table 4.

<u>Plaintiff Bond Holder or Beneficial Owner:</u>	Norberto Dario Casella
<u>Face Value:</u>	U.S. \$100,000
<u>CUSIP No., ISIN No., BB No.:</u>	CUSIP No. 040114FC9; ISIN No. US040114FC91
<u>Date Of Issuance:</u>	March 15, 2000
<u>Date Of Maturity:</u>	March 15, 2010
<u>Interest Rate/Payable:</u>	11.375 %
<u>Date Of Purchase:</u>	On or before October 2001
<u>Acceleration:</u>	Notice sent January 4, 2007
<u>Contract Documents:</u> (FAA; Indenture; Offering Prospectus; Certificates, etc.)	Fiscal Agency Agreement, dated as of October 19, 1994 (the "1994 FAA")
Evidence of Ownership Proffered: (Account Statements; Letters; Notarized Statements, etc.)	Account statement from Caja de Valores quarterly account statement in the name of Casella dated as of March 31, 2007

Table 5.

<u>Plaintiff Bond Holder or Beneficial Owner:</u>	Street Investments Limited ("Street")
<u>Face Value:</u>	U.S. \$305,000
<u>CUSIP No., ISIN No., BB No.:</u>	CUSIP No. 040114GAH3; ISIN No. US040114AH34
<u>Date Of Issuance:</u>	December 20, 1993
<u>Date Of Maturity:</u>	December 20, 2003
<u>Interest Rate/Payable:</u>	8.375 %
<u>Date Of Purchase:</u>	July 29, 2003, November 1, 2005, and September 12, 2006
<u>Acceleration:</u>	Notice sent January 4, 2007
<u>Contract Documents:</u> (FAA; Indenture; Offering Prospectus; Certificates, etc.)	Fiscal Agency Agreement, dated as of December 10, 1993 (the "1993 FAA")
Evidence of Ownership Proffered: (Account Statements; Letters; Notarized Statements, etc.)	Account statement from UBS International Inc. in the name of Street dated as of March 2007

Table 6.

<u>Plaintiff Bond Holder or Beneficial Owner:</u>	Guido Scanavino and Lydia Scanavino (together, "Scanavino")
<u>Face Value:</u>	U.S. \$200,000
<u>CUSIP No., ISIN No., BB No.:</u>	CUSIP No. 040114GH7; ISIN No. US040114GH79
<u>Date Of Issuance:</u>	June 19, 2001
<u>Date Of Maturity:</u>	June 19, 2031
<u>Interest Rate/Payable:</u>	12 %
<u>Date Of Purchase:</u>	Between November 30, 2001 and January 3, 2002, and October 14, 2003
<u>Acceleration:</u>	Notice sent January 4, 2007
<u>Contract Documents:</u> (FAA; Indenture; Offering Prospectus; Certificates, etc.)	Fiscal Agency Agreement, dated as of October 19, 1994 (the "1994 FAA")
<u>Evidence of Ownership Proffered:</u> (Account Statements; Letters; Notarized Statements, etc.)	Account statement from UBS in the name of Scanavino, dated as of March 26, 2007

Table 7.

<u>Plaintiff Bond Holder or Beneficial Owner:</u>	Guido Scanavino and Lydia Scanavino (together, "Scanavino")
<u>Face Value:</u>	U.S. \$20,000
<u>CUSIP No., ISIN No., BB No.:</u>	CUSIP No. 040114AN0; ISIN No. US040114AN02
<u>Date Of Issuance:</u>	October 9, 1996
<u>Date Of Maturity:</u>	October 9, 2006
<u>Interest Rate/Payable:</u>	11 %
<u>Date Of Purchase:</u>	On February 25, 2005
<u>Acceleration:</u>	Notice sent January 4, 2007
<u>Contract Documents:</u> (FAA; Indenture; Offering Prospectus; Certificates, etc.)	Fiscal Agency Agreement, dated as of October 19, 1994 (the "1994 FAA")
<u>Evidence of Ownership Proffered:</u> (Account Statements; Letters; Notarized Statements, etc.)	Account statement from UBS in the name of Scanavino, dated as of March 26, 2007

Table 8.

<u>Plaintiff Bond Holder or Beneficial Owner:</u>	Franco Trentin and Stefania Trentin (together, "Trentin")
<u>Face Value:</u>	U.S. \$100,000
<u>CUSIP No., ISIN No., BB No.:</u>	CUSIP No. 040114BE9; ISIN No. US040114BE93
<u>Date Of Issuance:</u>	April 7, 1999
<u>Date Of Maturity:</u>	April 7, 2009
<u>Interest Rate/Payable:</u>	11.75 %
<u>Date Of Purchase:</u>	December 2001 and November 17, 2006
<u>Acceleration:</u>	Notice sent January 4, 2007
<u>Contract Documents:</u> (FAA; Indenture; Offering Prospectus; Certificates, etc.)	Fiscal Agency Agreement, dated as of October 19, 1994 (the "1994 FAA")
<u>Evidence of Ownership Proffered:</u> (Account Statements; Letters; Notarized Statements, etc.)	Account statements from (i) Unicredit Banca, dated as of June 30, 2007 and (ii) Banca di Trento e Bolzano, dated as of June 30, 2007.

Table 9.

<u>Plaintiff Bond Holder or Beneficial Owner:</u>	Franco Trentin and Stefania Trentin (together, "Trentin")
<u>Face Value:</u>	Eur. € 70,000
<u>CUSIP No., ISIN No., BB No.:</u>	ISIN No. XS0086333472
<u>Date Of Issuance:</u>	April 21, 1998
<u>Date Of Maturity:</u>	April 21, 2008
<u>Interest Rate/Payable:</u>	8.125%
<u>Date Of Purchase:</u>	On or before August 14, 2001
<u>Acceleration:</u>	January 4, 2007
<u>Contract Documents:</u> (FAA; Indenture; Offering Prospectus; Certificates, etc.)	Fiscal Agency Agreement, dated as of October 19, 1994 (the "1994 FAA"), as amended by Amendment No. 1, dated as of April 21, 1998 (the "Amendment")
Evidence of Ownership Proffered: (Account Statements; Letters; Notarized Statements, etc.)	Account statement from Unicredit Banca dated as of June 30, 2007

Table 10.

<u>Plaintiff Bond Holder or Beneficial Owner:</u>	Pier Luigi Lucibello Piani
<u>Face Value:</u>	U.S. \$50,000
<u>CUSIP No., ISIN No., BB No.:</u>	CUSIP No. 040114AN0; ISIN No. US040114AN02
<u>Date Of Issuance:</u>	October 9, 1996
<u>Date Of Maturity:</u>	October 9, 2006
<u>Interest Rate/Payable:</u>	11 %
<u>Date Of Purchase:</u>	On or before December 31, 2001
<u>Acceleration:</u>	Notice sent January 4, 2007
<u>Contract Documents:</u> (FAA; Indenture; Offering Prospectus; Certificates, etc.)	Fiscal Agency Agreement, dated as of October 19, 1994 (the "1994 FAA")
Evidence of Ownership Proffered: (Account Statements; Letters; Notarized Statements, etc.)	Account statement from CMB dated as of March 22, 2007

Table 11.

<u>Plaintiff Bond Holder or Beneficial Owner:</u>	Pier Luigi Lucibello Piani
<u>Face Value:</u>	U.S. \$50,000
<u>CUSIP No., ISIN No., BB No.:</u>	CUSIP No. 040114AZ3; ISIN No. US040114AZ32
<u>Date Of Issuance:</u>	December 4, 1998
<u>Date Of Maturity:</u>	December 4, 2005
<u>Interest Rate/Payable:</u>	11 %
<u>Date Of Purchase:</u>	On or before December 31, 2001
<u>Acceleration:</u>	Notice sent January 4, 2007
<u>Contract Documents:</u> (FAA; Indenture; Offering Prospectus; Certificates, etc.)	Fiscal Agency Agreement, dated as of October 19, 1994 (the "1994 FAA")
Evidence of Ownership Proffered: (Account Statements; Letters; Notarized Statements, etc.)	Account statement from CMB dated as of March 22, 2007

Table 12.

<u>Plaintiff Bond Holder or Beneficial Owner:</u>	Giancarlo Grassi
<u>Face Value:</u>	U.S. \$380,000
<u>CUSIP No., ISIN No., BB No.:</u>	CUSIP No. 040114GG9; ISIN No. US040114GG96
<u>Date Of Issuance:</u>	June 19, 2001
<u>Date Of Maturity:</u>	June 19, 2018
<u>Interest Rate/Payable:</u>	12.25%
<u>Date Of Purchase:</u>	On or before October 30, 2006
<u>Acceleration:</u>	Notice sent January 4, 2007
<u>Contract Documents:</u> (FAA; Indenture; Offering Prospectus; Certificates, etc.)	Fiscal Agency Agreement, dated as of October 19, 1994 (the "1994 FAA")
Evidence of Ownership Proffered: (Account Statements; Letters; Notarized Statements, etc.)	Account statement from ABN AMRO Bank dated as of March 30, 2007

Table 13.

<u>Plaintiff Bond Holder or Beneficial Owner:</u>	Edgardo Gerardo A. Sclafani
<u>Face Value:</u>	U.S. \$46,000
<u>CUSIP No., ISIN No., BB No.:</u>	CUSIP No. 040114GA2; ISIN No. US040114GA27
<u>Date Of Issuance:</u>	June 15, 2000
<u>Date Of Maturity:</u>	June 15, 2015
<u>Interest Rate/Payable:</u>	11.75 %
<u>Date Of Purchase:</u>	Between June 11, 2001 and June 27, 2001
<u>Acceleration:</u>	Notice sent January 4, 2007
<u>Contract Documents:</u> (FAA; Indenture; Offering Prospectus; Certificates, etc.)	Fiscal Agency Agreement, dated as of October 19, 1994 (the "1994 FAA")
<u>Evidence of Ownership Proffered:</u> (Account Statements; Letters; Notarized Statements, etc.)	Account statement from Caja de Valores dated as of March 31, 2007

Table 14.

<u>Plaintiff Bond Holder or Beneficial Owner:</u>	Lucia Rafaela Tasso
<u>Face Value:</u>	U.S. \$100,000
<u>CUSIP No., ISIN No., BB No.:</u>	CUSIP No. 040114FC9; ISIN No. US040114FC91
<u>Date Of Issuance:</u>	March 15, 2000
<u>Date Of Maturity:</u>	March 15, 2010
<u>Interest Rate/Payable:</u>	11.375 %
<u>Date Of Purchase:</u>	On or before December 31, 2001
<u>Acceleration:</u>	Notice sent January 4, 2007
<u>Contract Documents:</u> (FAA; Indenture; Offering Prospectus; Certificates, etc.)	Fiscal Agency Agreement, dated as of October 19, 1994 (the "1994 FAA")
Evidence of Ownership Proffered: (Account Statements; Letters; Notarized Statements, etc.)	Account statement from Merrill Lynch dated as of March 30, 2007

Table 15.

<u>Plaintiff Bond Holder or Beneficial Owner:</u>	Lucia Rafaela Tasso
<u>Face Value:</u>	U.S. \$300,000
<u>CUSIP No., ISIN No., BB No.:</u>	CUSIP No. 040114GG9; ISIN No. US040114GG96
<u>Date Of Issuance:</u>	June 19, 2001
<u>Date Of Maturity:</u>	June 19, 2018
<u>Interest Rate/Payable:</u>	12.25%
<u>Date Of Purchase:</u>	On or before December 31, 2001
<u>Acceleration:</u>	Notice sent January 4, 2007
<u>Contract Documents:</u> (FAA; Indenture; Offering Prospectus; Certificates, etc.)	Fiscal Agency Agreement, dated as of October 19, 1994 (the "1994 FAA")
Evidence of Ownership Proffered: (Account Statements; Letters; Notarized Statements, etc.)	Account statement from Merrill Lynch dated as of March 30, 2007

Table 16.

<u>Plaintiff Bond Holder or Beneficial Owner:</u>	Lucia Rafaela Tasso
<u>Face Value:</u>	U.S. \$200,000
<u>CUSIP No., ISIN No., BB No.:</u>	CUSIP No. 040114AV2; ISIN No. US040114AV28
<u>Date Of Issuance:</u>	September 19, 1997
<u>Date Of Maturity:</u>	September 19, 2027
<u>Interest Rate/Payable:</u>	9.75 %
<u>Date Of Purchase:</u>	On or before December 31, 2001
<u>Acceleration:</u>	Notice sent January 4, 2007
<u>Contract Documents:</u> (FAA; Indenture; Offering Prospectus; Certificates, etc.)	Fiscal Agency Agreement, dated as of October 19, 1994 (the "1994 FAA")
<u>Evidence of Ownership Proffered:</u> (Account Statements; Letters; Notarized Statements, etc.)	Account statement from Merrill Lynch dated as of March 30, 2007

Table 17.

<u>Plaintiff Bond Holder or Beneficial Owner:</u>	Alexia Brandes and Fernando Exposito (together, "Brandes")
<u>Face Value:</u>	U.S. \$700,000
<u>CUSIP No., ISIN No., BB No.:</u>	CUSIP No. 040114AV2; ISIN No. US040114AV28
<u>Date Of Issuance:</u>	September 19, 1997
<u>Date Of Maturity:</u>	September 19, 2027
<u>Interest Rate/Payable:</u>	9.75 %
<u>Date Of Purchase:</u>	July 30, 2003 and August 8, 2003
<u>Acceleration:</u>	Notice sent January 4, 2007
<u>Contract Documents:</u> (FAA; Indenture; Offering Prospectus; Certificates, etc.)	Fiscal Agency Agreement, dated as of October 19, 1994 (the "1994 FAA")
<u>Evidence of Ownership Proffered:</u> (Account Statements; Letters; Notarized Statements, etc.)	Account statement from Lehman Brothers dated as of March 31, 2007

DISCUSSION

This Court has already granted summary judgment in other cases to plaintiffs seeking to collect on the Republic's defaulted bonds issued under the 1994 FAA, the 1993 FAA and the FRB Agreement. This has occurred in Lightwater, supra, Mazzini v. Republic of Argentina, No. 03 Civ. 8120, 2005 WL 743090 (S.D.N.Y. Mar. 31, 2005), and other cases. Only certain specific issues need to be discussed in connection with the present motion.

Standing and Proof of Ownership

In the two opinions in Fontana v. Republic of Argentina, 415 F.3d 238 (2d Cir. 2005), and Applestein v. Province of Buenos Aires, 415 F.3d 242 (2d Cir. 2005), the Second Circuit has held that an owner of a beneficial interest, such as plaintiffs here, must receive authorization from the registered holder of the bond before it may sue, but that such authorization may be granted subsequent to the filing of a lawsuit. Alternatively, the Republic may waive the authorization requirement.

The Republic has agreed to waive objections based on lack of authorization where the court makes a finding of current ownership. See Transcript, March 28, 2006, Cilli v. Republic of Argentina (04 Civ. 6594).

Here, plaintiffs have adequately demonstrated through their account statements that they owned their beneficial interests as of March and June, 2007. There is no evidence of any change of ownership thereafter.

CONCLUSION

The motion for summary judgment is granted. Judgment will be entered for the principal amount of the bonds issued under the 1993 FAA and 1994 FAA plus accrued interest.

The parties shall consult with one another concerning the form of the judgment and the amounts of interest that should be awarded in the judgment. If the parties are able to reach agreement, they shall jointly submit an agreed proposed judgment to the Court to be entered on a date agreed to by the parties upon consultation with Chambers. If the parties are unable to reach agreement on those subjects, plaintiffs shall submit a proposed judgment to the Court, and the Republic shall submit any objections to the proposed judgment within five business days thereafter. The Court will then resolve any remaining disagreements. Proposed judgments submitted to the Court should include the following language: "It is further ORDERED that, until further notice from the Court, plaintiff(s) must refrain from selling or otherwise transferring their beneficial interest in the bond(s) involved in this action without advising the Court in advance and obtaining permission of the Court."

SO ORDERED.

Dated: New York, New York
December 21, 2007

A handwritten signature in cursive script, reading "Thomas P. Griesa".

THOMAS P. GRIESA
U.S.D.J.